



# महाराष्ट्र विद्युत नियामक आयोग

## Maharashtra Electricity Regulatory Commission

Ref. No. MERC/FAC/2018-2019/123

Date: 26 April, 2019

To,  
Associate Vice President (Power),  
The Gigaplex Estate Private Ltd.,  
K Raheja Corp, Level-9, Raheja Tower  
Block 'G', Plot No. C-30,  
Bandra Kurla Office  
Bandra (E), Mumbai – 400 051

**Subject:** Post facto approval of Fuel Adjustment Charges (FAC) submissions of GEPL for the month of October, 2018 to December, 2018.

**Reference:** GEPL's FAC submission for the month of October, 2018 to December, 2018 vide letter no. GEPL/Power/2018-19/G640 dated 18 February, 2019.

Sir,

Upon vetting the FAC calculations for the months of October, 2018 to December, 2018 as mentioned in the above reference, the Commission has accorded post facto approval for charging FAC to its consumers as shown in the table below:

Month	FAC Amount (Rs. Crore)
October, 2018	(0.07)
November, 2018	0.10
December, 2018	(0.15)

GEPL is directed to refund Rs. (0.013) Crore against the period of October, 2018 to December, 2018 along with interest to the consumers in next FAC billing cycle. This is on account of error as explained in para 4.13, 6.2, 8.4 and 9.2 of this vetting report.

The above approval of FAC is subject to final true up of FY 2018-19 under the MERC (Multi Year Tariff) Regulations, 2015.

Yours faithfully,

(Dr. Rajendra Ambekar)  
Executive Director, MERC

**Encl:** Annexure A: Detailed Vetting Report for the period of October, 2018 to December, 2018.

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**POST FACTO APPROVAL FOR FACCHARGES FOR THE MONTHS OF OCTOBER,  
2018 TO DECEMBER, 2018**

**Subject:** Post facto approval of Fuel Adjustment Charges (FAC) submissions of GEPL for the month of October, 2018 to December, 2018.

**Reference:** GEPL's FAC submission for the month of October, 2018 to December, 2018 vide letter no. GEPL/Power/2018-19/G640 dated 18 February, 2019.

**1. FAC submission by GEPL Undertaking:**

1.1 GEPL has made FAC submissions for the months of October, 2018 to December, 2018 as referred above. Upon vetting the FAC calculations, taking cognizance of all the submissions furnished by GEPL, the Commission has accorded post facto approval for the FAC amount to be charged in the billing months of November, 2018 to January, 2019.

**2. Background**

2.1 On 12 March, 2018 the Commission has issued Tariff Order in respect of GEPL, (Case No.149 of 2016) for approval of Aggregate Revenue Requirement and Tariff for FY 2016-17 to FY 2019-20. Revised Tariff has been made applicable from 1 April, 2018.

2.2 Vide its letter dated 15 November, 2016, the Commission communicated the excel formats for filing of FAC submissions to all Distribution Licensees. The Commission also directed all Distribution Licensees to submit FAC computations, including details pertaining to variation in fuel cost of generators for the approval of the Commission.

2.3 Vide FAC vetting Report dated 2 July, 2018 the Commission accorded prior approval to the FAC for the month of April, 2018.

2.4 In terms of MERC (MYT) Regulations, 2015 a Distribution Licensee is required to obtain post facto approval of the Commission on a quarterly basis for FAC charges. Accordingly, vide its letter No. GEPL/Power/2018-19/G640 dated 18 February, 2019, GEPL has filed FAC submissions for the months of October, 2018 to December, 2018 for post facto approval. The Commission has scrutinized the submissions provided by GEPL and has also verified the fuel and power purchase bills provided along with its submissions.



### 3. Energy Sales of the Licensee

3.1 The net energy sales within licence area as submitted by GEPL in the FAC submission and as approved by the Commission are as shown in the Table below:

Consumer Category	Approved by the Commission (MU)	Monthly Approved (MU)	Actual Sales		
			(Oct-18) (MU)	(Nov-18) (MU)	(Dec-18) (MU)
	(I)	(II=I/12)	(III)	(IV)	(V)
<b>HT Category</b>					
HT- I Industrial	43.43	3.62	2.20	2.00	1.83
HT-II Commercial	1.96	0.16	0.05	0.06	0.07
<b>LT Category</b>					
LT-I General Purpose	-	-	-	-	-
LT-II(A) Commercial (0-20 kW)	0.04	0.00	0.05	0.05	0.05
LT-II (B) Commercial (above 20 kW)	0.16	0.01	0.01	0.01	0.01
LT-III (A) Industrial (0-20 kW)	0.31	0.03	0.00	0.00	0.00
LT-III (B) Industrial (above 20 kW)	5.36	0.45	0.24	0.22	0.21
<b>Total</b>	<b>51.25</b>	<b>4.27</b>	<b>2.56</b>	<b>2.35</b>	<b>2.18</b>

3.2 It can be observed from above Table that the actual sales during the months of October, November and December, 2018 is 2.56 MUs, 2.35 MUs and 2.18 MUs respectively, which is around 25% to 47% lower than the approved energy sales per month, i.e., 4.27 MUs. The major variation was observed in the HT-I Industrial and LT-III (B) Industrial categories as shown in the Table above.

### 4. Cost of Power Purchase

4.1 GEPL is a deemed Distribution Licensee notified by the Commission for IT& ITES SEZ located at Airoli, Thane. GEPL does not own or operate any generating stations. Accordingly, GEPL is required to procure power from outside sources in order to fulfil the demand of its consumers.

4.2 GEPL has so far been procuring Power through Competitive Bidding on Short-term basis, and has received the Commission's approval for the power procured till date. The Short-term Power Purchase Agreement (APP) was with GMR Energy Trading Limited (GMRETL) which was valid for the period from 1 April, 2018 to 30 September, 2018.

4.3 The Commission in its MYT Order dated 12 March, 2018 in Case No. 149 of 2016 approved the Power purchase rate of Rs. 4.38/kWh for FY 2018-19 and FY 2019-20, based on the rate discovered by GEPL through Short-term Competitive Bidding.

4.4 The Commission has also directed GEPL to initiate the process of procurement of medium term power to meet its projected demand. As per the directives given by the Commission, and in view of the existing Short-term Power Purchase Agreement (APP) with GMR



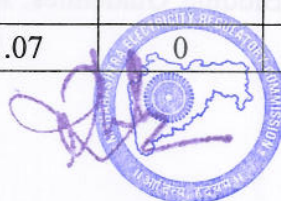
Energy Trading Limited (GMRETL) being valid only up to 30 September, 2018, GEPL initiated the process for Medium Term Power Procurement of 3.5 MW Base load for the period of two years and six months from 1 October, 2018 to 31 March, 2021 as per 'Guidelines for Procurement of Electricity for Medium Term from Power Stations set up on Finance, Own and Operate (FOO) basis' issued by MoP, GoI on 17 January, 2017. GEPL has also published notice on 11 June, 2018 in Times of India, Mumbai and Hindustan Times, Delhi and floated e-Tender/Bidding Document (including RFQ and RFP) through DEEP Portal.

4.5 Based on bidding initiated as mentioned above, M/s GMRETL was found to be the lowest (L1). Accordingly, the Commission under Section 63 of the Electricity Act, 2003, has adopted Medium term Power Procurement rate of Rs 4.94/kWh for 3.5 MW RTC for the period of 1 October, 2018 to 31 March, 2021 and has approved APP between GEPL and GMRETL. (Case No. 266 of 2018 dated 26 September, 2018)

4.6 The following Tables show the variation in average power purchase cost (Rs/kWh) for the months of October, 2018 to December, 2018 as compared to average power purchase cost approved in Tariff Order dated 12 March, 2018:

Particulars	Tariff Order Dated 12 March, 2018			Actual for October, 2018		
	Net Purchase	Cost	Average Power Purchase Cost	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh
Short Term/Medium Term PPA	54.08	23.69	4.38	2.56	1.25	4.87
FBSM	-	-	-	0	0	0
Solar REC	-	0.15	NA	0.01	0.001	1.01
Non Solar REC	-	0.59	NA	0.38	0.05	1.21
<b>Total</b>	<b>54.08</b>	<b>24.43</b>	<b>4.52</b>	<b>2.56</b>	<b>1.29</b>	<b>5.06</b>

Particulars	Actual for November, 2018			Actual for December, 2018		
	Net Purchase	Cost	Average Power Purchase Cost	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh
Short Term/Medium Term PPA	2.63	1.26	4.80	2.56	1.26	4.92
Solar REC	0.08	0.01	1.07	0	0	0



Particulars	Actual for November, 2018			Actual for December, 2018		
	Net Purchase	Cost	Average Power Purchase Cost	Net Purchase	Cost	Average Power Purchase Cost
	MU	Rs. Crore	Rs/kWh	MU	Rs. Crore	Rs/kWh
Non Solar REC	0.19	0.02	1.28	0.6	0.08	1.27
<b>Total</b>	<b>2.63</b>	<b>1.30</b>	<b>4.93</b>	<b>2.56</b>	<b>1.34</b>	<b>5.22</b>

- 4.7 The Commission has scrutinised the detailed bills/invoices submitted for power purchase during the respective months of October, 2018 to December, 2018, in order to verify the claim of GEPL regarding Average Power Purchase Cost (APPC). The Commission has verified the Net Purchase (MUs), Variable Cost (Rs./kWh) and Power Purchase Cost.
- 4.8 For its Base load requirement, GEPL has purchased 2.11 MUs, 2.18 MUs and 2.20 MUs under Medium Term Base load arrangement from GMRETL during the month of October, November and December, 2018 respectively. The Base load power has been procured at rate of Rs.4.94/kWh as approved by the Commission in Case No. 266 of 2018 dated 26 September, 2018. (as already mentioned in para above)
- 4.9 With regards to its Peak Load requirement, GEPL has purchased 0.44 MUs, 0.45MUs, and 0.36MUs during the month of October, November and December, 2018 respectively through short-term arrangements. The Peak load power during above mentioned period was procured at a rate of Rs. 4.36/kWh, which has been observed marginally lower than the rate of Rs. 4.38/kWh as approved by the Commission in its MYT Order.
- 4.10 Based on above, the total power including base load and peak load purchased by GEPL during the month of October, November and December, 2018 stands at 2.56 MUs, 2.63 MUs and 2.56 MUs respectively. The average power purchase cost considering base load and peak load power is Rs.4.87/kWh, Rs.4.80/kWh and Rs.4.92/kWh for the period of October, November and December, 2018 respectively which is appearing higher as against the rate of Rs. 4.38/kWh as approved in MYT Order . The reasons for variation is as explained in para below.
- 4.11 It is to be noted that the Commission has approved the rate of Rs.4.38/kWh for both short and medium-term power procurement for FY 2018-19 in its MYT Order. Further, at the time of issuance of MYT Order dated 12 March, 2018, GEPL had short term PPA with MSEDCL for the contract period of 6 Months from 1 October, 2017 to 31 March, 2018. Since, the short term PPA was ending on 31 March, 2018 and in absence of MYT Order (Case no. 149 of 2016) at that time, GEPL had initiated procurement of 5 MW Round-the-Clock (RTC) power at its periphery at 22kV at Rs. 4.38/kWh (excluding Transmission Charges), based on the rates discovered in short-term power procurement under the Competitive Bidding Guidelines, for the period from April to September, 2018. Hence,



based on the above and in the absence of any other suitable benchmark, the Commission had considered this discovered rate in its MYT Order for FY 2018-19.

- 4.12 However, as already explained in para 4.2, 4.4 and 4.5, on-going Short-term Power Procurement was for the period from 1 April, 2018 to 30 September, 2018 and accordingly, after competitive bidding conducted by GEPL, the Commission has adopted a tariff of Rs. 4.94/kWh for medium term base load requirement. As this tariff of Rs.4.94/kWh is higher than previously approved tariff of Rs.4.38/kWh, the weighted average power purchase cost for base load and peak load requirement is driven towards base load tariff and thus, resulting higher than the MYT approved rate.
- 4.13 Apart from above, GEPL has also purchased 12 Solar REC, 86 Solar REC during the month of October and November, 2018 and 386 Non-Solar REC, 193 Non-Solar REC and 600 Non-Solar REC during the month of October, November and December, 2018 respectively in order to fulfil its RPO Obligation. The Commission has verified the respective purchases from the Obligation report submitted by GEPL issued by power exchange and found that the total purchase cost considered by GEPL in FAC calculation were not matching with the corresponding cost as in obligation report submitted for Q3 months. The Commission has taken the respective quantum and cost as per obligation report submitted.
- 4.14 Considering total power purchase including cost of REC, the APPC for the month of October, November and December is Rs.5.06/kWh, Rs.4.93/kWh and Rs.5.22/kWh as against the MYT approved rate of Rs. 4.52/kWh as shown in Table above. The variation is mainly on account of adoption of revised tariff for base load requirement as already explained in para above and also due to other adjustments as such incentives, rebate, difference in transmission charges and losses etc. during the aforesaid period.
- 4.15 After complete scrutiny of documents submitted, the Commission allows the average power purchase cost of Rs.5.06/kWh for the month of October, 2018, Rs. 4.93/kWh for the month of November, 2018 and Rs. 5.22/kWh for the month of December, 2018 as shown in Table above.

## **5. FAC on account of fuel and power purchase cost (F)**

- 5.1 The Commission has worked out the average power purchase costs for the months as shown in above Tables. The same has been compared with the average power purchase cost approved by the Commission in Tariff Order dated 12 March, 2018 and arrived at differential per unit rate at which  $Z_{FAC}$  is to be passed on to the consumers.
- 5.2 The following table shows the  $Z_{FAC}$  worked out by the Commission on account of difference in fuel and power purchase cost for the months of October, 2018 to December, 2018.



S. No.	Particulars	Units	Oct. 2018	Nov. 2018	Dec. 2018
1	Average power purchase cost approved by the Commission	Rs./kWh	4.52	4.52	4.52
2	Actual average power purchase cost	Rs./kWh	5.06	4.93	5.22
3	Change in average power purchase cost (=2 -1)	Rs./kWh	0.54	0.41	0.70
4	Net Power Purchase	MU	2.56	2.63	2.56
5	<b>Change in fuel and power purchase cost (=3 x 4/10)</b>	<b>Rs. Crore</b>	<b>0.14</b>	<b>0.11</b>	<b>0.18</b>

6. **Adjustment for over recovery/under recovery (B)**

6.1 The adjustment factor for over recovery/under recovery (B) is as computed as shown in Table below.

S. No.	Particulars	Units	Oct 2018	Nov 2018	Dec 2018
1.1	Incremental cost allowed to be recovered in Month n-1	Rs. Crore	(0.364)*	(0.07)	0.10
1.2	Incremental cost in Month n-1 actually recovered in month n	Rs. Crore	(0.056)	(0.07)	0.09
1.3	Over-recovery/under-recovery (1.1 - 1.2)	Rs. Crore	(0.307)	(0.01)	0.004
1.4	Already accounted for refund in future periods (as per approved vetting report of Q2 FY 2018-19)	Rs. Crore	(0.314)	-	-
1.5	Incremental over-recovery/under recovery (1.3-1.4)	Rs. Crore	0.007	-	-
2.0	Carried forward adjustment attributable to application of ceiling limit for previous month	Rs. Crore	-	-	-
2.1	Adjustment pertaining to previous post facto FAC approval	Rs. Crore	(0.22)	-	(0.33)
3.0	<b>Net Adjustment factor for over-recovery/under-recovery (1.3+2.1)</b>	<b>Rs. Crore</b>	<b>(0.21)**</b>	<b>(0.01)</b>	<b>(0.33)</b>

\*Corrected as per previous approved vetting report

\*\* Net adjustment factor for the month of October, 2018 (1.5+2.1)

6.2 The Commission observed that the value of incremental cost allowed to be recovered has been erroneously taken as Rs. (0.050) Crore by GEPL as against the approved value of Rs.





(0.364) Crore for the month of October, 2018. The Commission has rectified this error and accordingly computed the net adjustment as shown in Table above.

6.3 The incremental cost actually recovered/refunded for the month of October, 2018 is Rs. (0.056) Crore as shown above against an approved refund of Rs. (0.364) Crore. Therefore, there is a need for adjustment to refund an amount of Rs. (0.307) Crore (i.e., Rs.(0.364) Crore – Rs.(0.056) Crore) for the month. However, in previous post facto approval for Q2 of FY 2018-19, an amount of Rs. (0.314)<sup>1</sup> Crore as had already been approved for refund in the future period and GEPL has initiated a refund against the same in the present quarter. Hence, there is an excess refund of Rs.0.07 Crore which needs to be recovered in the total FAC for the month of October 2018.

6.4 The incremental cost actually recovered as considered by GEPL during the respective months of Q3 of FY 2018-19 has been verified from the bill report generated through SAP system submitted by GEPL and found to be in order.

6.5 Further, the Commission in its post facto approval for April to June, 2018 has directed GEPL to refund Rs. (0.22) Crore. The same is initiated by GEPL during the billing month of October, 2018 and accordingly has been considered. Furthermore, the Commission in its post facto approval for July to September, 2018 has also directed GEPL to refund a total sum of Rs. (0.99) Crore. GEPL has made 3 instalments for the refund of Rs. (0.99) Crore and the 1<sup>st</sup> instalment of Rs. (0.33) Crore has been initiated during the billing month of December and has been considered accordingly.

## 7. Carrying Cost for over recovery/under recovery (B)

7.1 GEPL has not levied any carrying cost for the months of October, 2018 to December, 2018 and the Commission has also not considered the same.

## 8. Disallowance due to excess Distribution Loss

8.1 Regulation 10.8 of MYT Regulations, 2015 provides for FAC amount to be reduced in case the actual distribution loss for the month exceeds the approved distribution loss. The relevant extract is reproduced as follows.

*“10.8 The total ZFAC recoverable as per the formula specified above shall be recovered from the actual sales in terms of “Rupees per kilowatt-hour”:*

*Provided that, in case of unmetered consumers, the ZFAC shall be recoverable based on estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:*

<sup>1</sup> Rs (0.314) Crore refund is against September 2018 out of total approved refund of Rs (0.99) Crore.



*Provided further that, where the actual distribution losses of the Distribution Licensee exceed the level approved by the Commission, the amount of ZFAC corresponding to the excess distribution losses (in kWh terms) shall be deducted from the total ZFAC recoverable”*

8.2 The following table provides the comparison of approved and actual distribution loss and disallowance due to excess distribution loss if any.

S. No.	Particulars	Units	Approved in Tariff Order	Actual Cumulative up to		
				Oct-18	Nov-18	Dec-18
1	Net Energy input at Distribution Voltages	MU	51.96	16.56	18.96	21.18
2	Energy sales at Distribution voltages	MU	51.25	16.26	18.61	20.79
3	Distribution Loss (1 - 2)	MU	0.71	0.31	0.35	0.36
4	Distribution Loss as % (3/1)	%	1.37%	1.85%	1.85%	1.85%
5	Excess Distribution Loss = [Actual Distribution Loss (4) - Distribution loss approved] x Net Energy Input (1)	MU	-	0.080	0.091	0.103
6	<b>Disallowance of FAC due to excess Distribution Loss</b>	<b>Rs. Crore</b>	-	-	0.004	-

8.3 As seen from the above Table, cumulative distribution loss for the months of October, 2018 to December, 2018 is higher than the MYT approved distribution loss of 1.37%. The Commission has sought for reasoning for the higher distribution losses. In response to same query raised by the Commission in its previous vetting report, GEPL has stated that, the losses approved by Commission in MYT were the average of FY 2016-17. However, since March, 2017 the occupancy of buildings B#2 & B#3 has increased thereby increasing load losses of the system. Further, these are minimal technical losses of the network and are consistent.

8.4 The Commission observed that GEPL has worked out disallowance of FAC due to excess Distribution Loss based on the cumulative Distribution Loss corresponding to the standalone energy input at distribution voltage for the respective months. However, the Commission has recomputed the disallowance based on the cumulative Distribution Loss corresponding to the cumulative energy input at distribution voltage for the respective months since the excess distribution loss assessment needs to be done on cumulative basis. Further, as the stand alone FAC for the month of October and December, 2018 is negative. Hence, disallowance on account of excess distribution loss has not been computed for the aforesaid months. However, the disallowance on account of excess distribution loss for the month of November has been worked out as Rs.0.004 Crore.



## 9. Summary of Allowable Z<sub>FAC</sub>

9.1 The summary of the FAC amount as approved by the Commission for the month of October, 2018 to December, 2018 as shown in the Table below.

S. No.	Particulars	Units	Oct 2018	Nov 2018	Dec 2018
<b>1.0</b>	<b>Calculation of ZFAC</b>				
1.1	Change in cost of generation and power purchase attributable to Sales within the License Area (F)	Rs. Crore	0.14	0.11	0.18
1.2	Carrying cost for over-recovery/under-recovery (C)	Rs. Crore	-	-	-
1.3	Adjustment factor for over-recovery/under-recovery (B)	Rs. Crore	(0.21)	(0.01)	(0.33)
<b>1.4</b>	<b>ZFAC = F+C+B</b>	<b>Rs. Crore</b>	<b>(0.07)</b>	<b>0.10</b>	<b>(0.15)</b>
<b>2.0</b>	<b>Calculation of FAC Charge</b>				
2.1	Energy Sales within the License Area	MU	2.56	2.35	2.18
2.2	Excess Distribution Loss	MU	0.08	0.09	0.10
2.3	ZFAC per kWh	Rs./kWh	(0.29)	0.44	(0.67)
2.4	Cap at 20% of variable component of tariff	Rs./kWh	0.81	0.81	0.81
2.5	FAC Charge allowable (Minimum of 2.3 and 2.4)	Rs./kWh	(0.29)	0.44	(0.67)
<b>3.0</b>	<b>Recovery of FAC</b>				
3.1	Allowable FAC [(2.1 x 2.5)/10]	Rs. Crore	(0.07)	0.10	(0.15)
3.2	FAC disallowed corresponding to excess Distribution Loss [(2.2 x 2.5)/10]	Rs. Crore	-	0.004	-
<b>4.0</b>	<b>Total FAC based on category wise and slab wise allowed to be recovered</b>	<b>Rs. Crore</b>	<b>(0.07)</b>	<b>0.10</b>	<b>(0.15)</b>
5.0	Carried forward FAC for recovery during future period (3.1-3.2-4.0)	Rs. Crore	-	-	-

9.2 It can be seen from the above Table that standalone FAC for the months of October to December, 2018 is Rs. (0.07) Crore, Rs. 0.1 Crore and Rs. (0.15) Crore respectively. Also, from the above Table, at the end month of Quarter 3, i.e., December, 2018 GEPL has to refund Rs. (0.15) Crore but it has actually refunded only Rs. (0.13) Crore based on their submissions. Hence, the Commission directs GEPL to refund the differential amount of Rs. (0.013) Crore in next billing cycle.

9.3 Based on energy sales and excess distribution loss, FAC per unit has been worked out as Rs. (0.29)/ kWh, Rs. 0.43/ kWh and Rs. (0.63)/ kWh for the months of October to December, 2018. Further, the Regulation 10.9 of MYT Regulations, 2015 specifies as:



*Provided that the monthly ZFAC shall not exceed 20% of the variable component of Tariff or such other ceiling as may be stipulated by the Commission from time to time:*

- 9.4 As the FAC per unit computed is already lower than the 20% cap specified in Regulation as shown in Table above, hence, there is no restriction triggered with regards to such ceiling for all the months in Q3 of FY 2018-19.

## **10. Recovery from Consumers:**

- 10.1 Regulation 10.9 of MERC MYT Regulations, 2015 provides for methodology of recovery of FAC charge from each category of consumers. The relevant extract is reproduced as below.

*“10.9 The ZFAC per kWh for a particular Tariff category/sub-category/consumption slab shall be computed as per the following formula: —*

$$\text{ZFAC Cat (Rs/kWh)} = [\text{ZFAC} / (\text{Metered sales} + \text{Unmetered consumption estimates} + \text{Excess distribution losses})] * k * 10,$$

*Where:*

*ZFAC Cat = ZFAC component for a particular Tariff category/sub-category/consumption slab in ‘Rupees per kWh’ terms;*

*k = Average Billing Rate / ACOS;*

*Average Billing Rate = Average Billing Rate for a particular Tariff category/sub-category/consumption slab under consideration in ‘Rupees per kWh’ as approved by the Commission in the Tariff Order:*

*Provided that the Average Billing Rate for the unmetered consumers shall be based on the estimated sales to such consumers, computed in accordance with such methodology as may be stipulated by the Commission:*

*ACOS = Average Cost of Supply in ‘Rupees per kWh’ as approved for recovery by the Commission in the Tariff Order:*

*Provided that the monthly ZFAC shall not exceed 20% of the variable component of Tariff or such other ceiling as may be stipulated by the Commission from time to time:*

*Provided further that any under-recovery in the ZFAC on account of such ceiling shall be carried forward and shall be recovered by the Distribution Licensee over such future period as may be directed by the Commission....”*

- 10.2 The Commission has worked out FAC per unit for each category of consumer based on the formula provided in the above Regulations. The Commission observed that there is a



variation of  $Z_{FAC}$  in absolute terms on considering category wise per unit FAC worked out and category wise actual sales for the months of October, 2018 to December, 2018.

- 10.3 The variation in FAC in absolute terms is due to formula error of  $Z_{FAC}$  computed on per unit basis. The variation however is taken care in the adjustment factor of subsequent months.
- 10.4 The following table shows per unit  $Z_{FAC}$  for the months of October, November and December, 2018 to be levied on consumers of GEPL in the corresponding billing month of November, December and January, 2018 respectively.

**FAC for Billing Month in November, 2018 to January, 2018**

S. No	Consumer Category	Slabs	ZFAC computed for the month of		
			October, 2018	November, 2018	December, 2018
			(Rs./kWh)	(Rs./kWh)	(Rs./kWh)
	<b>HT Category</b>				
1	HT- I Industrial	all units	(0.29)	0.43	(0.61)
2	HT-II Commercial	all units	(0.29)	0.43	(0.61)
	<b>LT Category</b>				
3	LT-I General Purpose	all units	(0.29)	0.43	(0.61)
4	LT-II(A) Commercial (0-20 kW)	all units	(0.29)	0.43	(0.61)
5	LT-II (B) Commercial (above 20 kW)	all units	(0.29)	0.43	(0.61)
6	LT-III (A) Industrial (0-20 kW)	all units	(0.29)	0.43	(0.61)
7	LT-III (B) Industrial (above 20 kW)	all units	(0.29)	0.43	(0.61)



